



OFFICE OF THE MAYOR

July 1, 2003

Dear Citizens of Lynchburg,

City Council adopted the *FY 2004 Operating Budget* and *FY 2004-2009 Capital Improvement Program* on May 27, 2003. This action followed several months of deliberation and review of the proposed budget and Capital Improvement Program (CIP). City Council held seven work sessions, and a public hearing on the proposed budget and CIP. A copy of the FY 2004 Budget Ordinance that outlines the appropriations to various City funds is attached.

Adjustments to the *FY 2004 Proposed Operating Budget* are as follows:

General Fund

| | <u>Proposed Operating Budget</u> | <u>Adjustments</u> | <u>Adopted Budget</u> |
|--|---|---------------------------|------------------------------|
| <u>Revenues and Use of Fund Balance</u> | \$122,291,441 | | \$121,782,997 |
| Adjustments to Proposed Budget Projections | | (\$112,617) | |
| Business License Adjustment | | (30,000) | |
| HB 599 Revisions | | (827) | |
| Ambulance Billing Revenue received in FY 2003 | | (275,000) | |
| Tobacco Tax Reduction | | (340,000) | |
| Use of Fund Balance for Monument Terrace | | 250,000 | |
| Total Revenues And Use of Fund Balance | \$122,291,441 | (\$508,444) | \$121,782,997 |
| <u>Expenditures</u> | | | |
| Operations | \$80,132,569 | (\$255) | \$80,132,314 |
| Debt Service | 4,975,256 | 4,324,564 | 9,299,820 |
| Schools-Operations | 27,996,011 | -0- | 27,996,011 |
| Schools-Debt Service | 4,816,544 | (4,816,544) | -0- |
| Economic Development Reserve | 250,000 | -0- | 250,000 |
| Downtown Development Reserve | 500,000 | -0- | 500,000 |
| Reserve for Snow Removal, Streets and Bridges | 500,000 | -0- | 500,000 |
| Reserve for Contingencies | 1,200,000 | -0- | 1,200,000 |
| Capital Improvements | <u>1,921,061</u> | <u>250,000</u> | <u>2,171,061</u> |
| Total Expenditures | \$122,291,441 | (\$242,235) | \$122,049,206 |
| Balance | | (\$266,209) | |
| Use of FY 2003 General Fund Reserve for Contingencies | | <u>\$266,209</u> | |
| Final Balance | | \$0 | |

Details of these adjustments can be found in the City Council report that follows this letter.

Other Funds

Other funds have been amended to incorporate the 2% compensation adjustment for employees in those funds. Additional adjustments to Other Funds are detailed in the attached Council report.

FY 2004 Capital Improvement Program

The FY 2004 Capital Improvement Program is increased \$250,000 from the proposed budget to fully fund the Monument Terrace Renovation project.

I want to thank City Council for their dedication to public service and their willingness to spend countless hours deliberating and making difficult choices during this budget process. While the fiscal constraints of the City are many, I am proud of the collaboration among Council in providing a budget that I am confident will serve us well during this fiscal year.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Carl B. Hutcherson". The signature is written in black ink and includes a large, stylized capital "H" and a long, sweeping tail on the "n".

Carl B. Hutcherson
Mayor

Attachment: City Council Report: Adoption and Appropriation of the FY 2004 Operating and Capital Budgets, Adoption of the FY 2004-2009 Capital Improvement Program, and Amendment of the Code Section Relating to the Rate and Amount of the Local Tax on Cigarettes for FY 2004